

U.S. Department of Justice



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May 9, 2005

Honorable Gregory M. Sleet
United States District Judge
J. Caleb Boggs Federal Building
844 North King Street, Room 4324
Lockbox 19
Wilmington, DE 19801

Re: EEOC v. K-Mart Corporation
Civil Action Number 04-1315

Dear Judge Sleet:

I write to update you on the status of the bankruptcy issues pertaining to this case. It is my understanding that at this time, the Commission agrees with Defendant K-Mart Corporation ("K-Mart") that the EEOC is not entitled to monetary relief, because Charging Party Ronald Brown's proof of claim was expunged. However, it appears that the Equal Employment Opportunity Commission ("EEOC" or "Commission") may be permitted to seek injunctive relief. To the extent the EEOC is entitled to such injunctive relief the parties disagree regarding in which Court such relief should be sought. Plaintiff EEOC believes that it can pursue injunctive relief in the District of Delaware, while Defendant K-Mart Corporation argues that any injunctive relief must be sought in Bankruptcy Court for the Northern District of Illinois.

K-Mart has advised Plaintiff that it will shortly file papers designed to resolve this issue. The EEOC has informed K-Mart that it will vigorously defend against any action that would result in precluding Plaintiff from pursuing injunctive relief in the District of Delaware.

The parties are aware that the discovery end date in this case is October 3, 2005, and hope to resolve this bankruptcy issue as soon as possible. The parties will continue to advise the Court on the status of their progress.

Thank you for your kind attention to these issues.

Respectfully submitted,

/s/ Patricia C. Hannigan

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